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TAGS: [PREL](#) [MASS](#) [MOPS](#) [KDEM](#) [KPAL](#) [IS](#) [IZ](#) [EG](#)

SUBJECT: SETTING THE SCENE FOR THE 2005 U.S.- EGYPT MCC

Classified by DCM Stuart Jones for reasons 1.4(b) and (d).

Summary

1. (C) The U.S. - Egyptian military partnership represents the foundation of our broader strategic relationship. Although both nations benefit from the relationship, we occasionally differ in the strategies we adopt to achieve our shared goals. Egypt is committed to strengthening our ties, and the 2005 Military Cooperation Committee meeting offers an opportunity to confirm the mutual benefits of the relationship and press for further engagement in key areas. Because of the 2005 effort in Congress to redirect or withhold an earmark from Egypt's military assistance, Egypt will be seeking reassurance as to the importance of the relationship. Egypt understands that there will be no political release "deliverables" this year, but may ask the U.S. to reconsider. The U.S. team should urge Egypt to (1) bolster MOD's own public affairs program so that it can better articulate how Egypt supports U.S. global priorities, (2) explore opportunities for greater engagement in the Global War on Terror (GWOT) and in promoting regional stability, and (3) define its vision of military transformation and modernization.

The internal political scene

2. (C) 2005 has witnessed a remarkable series of political developments that are remaking Egypt's political landscape. Political reform has been under discussion for several years, but it was only on February 26, after extracting from the opposition the concession that any discussion of constitutional reform should be postponed until 2006, that President Mubarak unilaterally announced that he supported an amendment to the Constitution that would permit the direct election of the president in competitive multi-party elections. (Note: Egypt's president since 1952 has been chosen by a yes/no referendum after nomination by the parliament. End note.)

3. (C) Mubarak's announcement came against a backdrop of USG-GOE tension over the arrest and detention of Ayman Nour, leader of the newly-formed liberal Ghad Party on January 30. Nour was released in March after being charged with forging signatures on the documents establishing his party in late 2004. Nour's trial opened in June and quickly was postponed until the end of the year, but not before the GOE's lead witness recanted his testimony and alleged that the GOE had coerced his statements against Nour. Nour's effort to reform and revitalize the opposition occurred in tandem with an effort by the so-called young guard in the NDP, led by presidential son Gamal, to revamp and re-legitimize the ruling party, through "New Thinking" that focuses on greater accountability, economic reform, and democracy.

4. (C) On May 25, a nationwide referendum ratified the GOE's proposed amendment to Article 76, which set stringent candidacy rules for registered parties and effectively ruled out independent candidates. The amendment passed overwhelmingly, but the GOE is widely believed to have exaggerated the turnout. (The GOE claimed that 53 percent of eligible voters placed votes, with the overwhelming majority in favor. By contrast, the actual presidential election in September only drew 30 percent of voters according to GOE figures--and independent monitors asserted that the number was closer to 23 percent.) In addition, the referendum was marred by attacks by NDP-affiliated thugs on both demonstrators protesting the referendum and on female journalists covering the event. Shortly after Mubarak formally announced his candidacy in July, GOE security forces again violently dispersed a peaceful protest demonstration. The USG issued critical public statements after both the May 25 and July 30 incidents.

5. (C) President Mubarak and the NDP ran a high-profile campaign for the September 7 presidential election. Most of his opponents were representatives of fringe parties, but both Ayman Nour of the Ghad Party and Noman Gomaa of the Wafd Party made significant public challenges. The September 7 voting proceeded in an atmosphere of calm and order. The official results gave Mubarak 88 percent of an approximately 20 percent turnout. Nour took second, with 7 percent, while

Gomaa polled third at 3.5 percent. Nour's campaign complained that he had actually polled higher and that significant rigging had taken place to boost the president's margin of victory.

16. (C) By mid-October, the stage was set for the parliamentary elections, which were scheduled for three stages, beginning on November 7 and finishing on December 6. The surprise developments in the first round were the defeat of Ayman Nour in his home area (apparently after a major NDP push to support his opponent, a retired State Security colonel) and the fact that the banned but tolerated Muslim Brotherhood, running as independents, won 34 seats out of the 164 in play. In the second round, amid violence apparently instigated by NDP supporters, the MB continued its surprising run of electoral success. As of November 23, the MB had secured 47 seats, and appears to be en route to unprecedented electoral success.

17. (C) The actual impact of these various political developments will only become apparent with the seating of the new parliament on December 13 and the naming of a new cabinet. The surprising successes of the MB (and collapse of the established opposition parties), and the apparent failure of the NDP's "New Guard" to present candidates articulating a clear vision of political reform, raises crucial questions about the directions of Egypt's political scene in 2006.

Military funding--a source of concern

18. (C) MoD tells us that the annual USG contribution of \$1.3 billion in security assistance pays for 80 percent of Egypt's military procurement budget. MoD's effort to modernize its equipment from an old-style Soviet stock to a U.S. based inventory is more than one-half complete. (Note: MoD estimates that their stock of equipment is now 52 percent U.S. and 48 percent Soviet. End note.) Progress with modernization, however, is increasingly slow because the bulk of the \$1.3 billion in annual assistance goes to maintenance and upgrades of existing systems. The Egyptians will argue that the assistance budget does not allow them to purchase the systems their modernization plan calls for and that efforts in Congress to redirect military assistance are therefore damaging to their strategic goals. They will explain that military modernization is a national security issue on which the GOE will not compromise and likely note that should the GOE lose any of its military assistance, it will take money currently allocated to other sectors, such as health and education, to ensure that modernization can continue. In addition, they will stress that the loss of military assistance will force them to look for cheaper (non-U.S.) sources of equipment. Such a shift would hamper our goal of bolstering interoperability, lessen our ability to shape Egypt's military modernization, and could potentially reduce our access to the MoD.

19. (C) The MoD will also explain that the 2005 Senate Bill that did not include an earmark on Egypt's FMF was unjustified, particularly given Egypt's partnership with the U.S. in the GWOT (in Afghanistan and Iraq) as well as its efforts to promote stability in Gaza and Sudan. Although Congress restored the earmark during a late October conference, MoD contacts said they considered the experience troubling because military assistance is not "just about the money." Rather, they said it symbolizes the strength of Egypt's relationship with the U.S. and the commitment that the U.S. made to both Egypt and Israel when they signed the Treaty of Peace. Removing the earmark, one MoD contact noted, would represent a "downgrade" in the relationship and a sign that the U.S. values Egypt less than Israel or Jordan. The fact that senior GOE officials, including Foreign Minister Aboul Gheit, Field Marshal Tantawi, Egyptian General Intelligence Service Director Soliman, and President Mubarak, have all underlined the importance of military assistance in recent months illustrates GOE's view of the significance of the military relationship to the overall bilateral relationship. Egypt is well aware that its FMF troubles are not over. In a November 17 meeting with the Ambassador, Field Marshal Tantawi acknowledged that he anticipates that the military funding debates will reemerge in 2006.

U.S. gains from the relationship: political and operational

10. (C) Global War on Terror: The GOE cooperates in the GWOT in numerous ways. This includes expeditious management of Suez canal transit and overflight requests. Although Egyptian law requires a presidential waiver for the passage of nuclear powered vessels through the canal, since the beginning of 2003, at least 49 nuclear powered warships transited the canal. The MoD is keenly attuned to our security needs in the Canal and waives the \$50,000 per vessel

security surcharge that other vessels pay. In Afghanistan, Egypt still staffs a U.S. funded field hospital and has started to train local Afghan medical personnel. The GOE also sent two C-130s of arms and ammunition to Afghanistan in 2005, is considering providing weapons and driving training to Afghan police, and has agreed to send two engineers to support Provincial Reconstruction Team work. The GOE has also agreed to send an officer to serve as liaison to Headquarters, Joint Task Force, Horn of Africa to further improve coordination with the U.S.

¶11. (C) Iraq: With U.S. urging, Egyptian political engagement with Iraq has increased significantly in the past six months, and we can credit our strong military relationship for at least some of Egypt's willingness to cooperate on this issue. In addition to sending Ambassador Ihab al Sherif to Baghdad (Note: he was killed before he could present his credentials. End note.), Egypt hosted Iraq's National Security Advisor Rubaie for high-level meetings, and supported the Arab League's November 19-21 National Accord Conference on Iraq by having Mubarak speak at the opening plenary and engaging Iraq's government officials during the visit. Egypt's ongoing support for the political process in Iraq will play a key role in helping Iraq reengage with the Arab world, and we should urge them to maintain the momentum. The GOE has also provided technical assistance to the Iraqis, including training for diplomats, police and security forces and has offered to do more.

¶12. (C) Israel-Palestine: Egypt's efforts to create an atmosphere for progress in the Israeli-Palestinian relationship prove its commitment to helping the U.S. achieve regional stability. GOE security forces are continuing to provide training to fledgling Palestinian security forces. The Egyptian-Israeli Border Guard Agreement allowing Egypt to place 750 guards along its border with Gaza facilitated Israel's withdrawal from Gaza. Ongoing GOE support for the Palestinian Authority and close coordination with Israel played an equally critical role in the November 15 Agreement on Movement and Access that will prevent Gaza from becoming a prison and thereby diffuse tensions among Palestinians.

¶13. (C) Syria: Senior GOE officials, including President Mubarak, have repeatedly pressed President Bashar al Asad to cooperate with Mehlis in the investigation of Hariri's killing and with the U.S. to prevent insurgents from entering Iraq via Syria. Senior GOE officials, including Foreign Minister Aboul Gheit have assured us as recently as the week of November 13 that a breakthrough is in sight and that Asad is considering a proposal that would allow for questioning Syrian suspects outside of Lebanon.

¶14. (C) Sudan: In addition to sending large amounts of humanitarian aid to Sudan, the GOE has also deployed three mobile medical teams and 800 peacekeeping troops there. Egypt's support for the peace negotiations likewise reflects support for the U.S. goal of promoting regional stability.

Areas for Greater Cooperation

¶15. (C) Iraq and GWOT: The USG would like Egypt to provide even more tangible support in the GWOT and to the new Iraqi government, and Egypt appears willing. Greater Egyptian financial support of the Bagram field hospital would also be useful. We should consider asking MoD to send its own C-130s to Bagram when it redeploys the staff in December (and in the future) rather than relying on U.S. support. Funding for the field hospital will expire in March 2007, and it is worth pressing the MoD to maximize the hospital's outreach to the local community over the next 15 months. On Iraq, we should underscore the need for ongoing political support for the new government and the political process through additional high-level visits, training, and cultural exchanges.

¶16. (C) Interoperability: The absence of interoperability between the Egyptian and U.S. militaries poses a challenge to greater military engagement. There is no possibility that Egypt will sign either a Communications Interoperability Security Memorandum of Agreement (CISMOA) or an Acquisition and Cross-Servicing Agreement (ACSA) in the near term. Under instruction from CENTCOM, we have temporarily stopped raising the CISMOA with MoD because the lack of progress on the issue was negatively impacting the relationship. In reality, should Egypt opt to sign a CISMOA, the USG would be faced with additional, more complex challenges, such as the lack of sufficient military assistance funds to purchase secure communications equipment and political release considerations. We have tabled a proposal on the ACSA, but have yet to receive a response from MoD. As a sign of MoD's recalcitrance on signing the ACSA, they recently declined CENTCOM's request for bilateral discussions on the matter.

¶17. (C) Transformation: USG interest in encouraging the MoD to define its military transformation goals will remain

high and should guide our military assistance program and priorities. We have asked MoD to outline its transformation strategy (and start to define how the MoD intends to shape its doctrine, personnel, equipment, and priorities to meet new strategic objectives) during the MCC, but given the traditional reticence and the promotion of a new Chief of Staff may lead the MoD to be hesitant or unable to offer much detail on plans to recruit, train, equip and organize their forces to meet emerging regional challenges and objectives. The most significant change in staffing involves Chief of Staff Samy Enan, who replaced LTG Waheba. In contrast to LTG Waheba, a fluent English speaker who spent extensive periods of time in the U.S. and attended briefings on the U.S.'s own transformation strategy, LTG Samy speaks little English and has not studied in the U.S. (Note: His only known training outside of Egypt was in France and Russia. End note.) Because of LTG Samy's limited exposure to the U.S. system, he may be a traditionalist. MCC discussions of transformation may provide insights into how LTG Samy views this pivotal issue.

18. (C) Modernization: After considerable U.S. urging, Egypt has drafted a modernization plan. Getting Egypt to ensure that its requests for acquisitions are consistent with its plan will be key, and we should stress this in MCC discussions. We should also encourage the MoD to think more critically about whether they still need to retain their stock of aging and difficult to maintain Soviet equipment.

19. (C) Public Relations: A more refined public relations strategy would allow the MoD to answer questions from Washington regarding the utility of USG military assistance and the degree of Egyptian support for U.S. strategic goals. The MoD has been reluctant to allow the international press to cover events in which Egypt is seen as supporting U.S. objectives. But we should remind MoD of the extent to which media in America influences public opinion and urge them to use this to their advantage by publicizing cases where the MoD partners with the U.S. to achieve shared goals.

Weapons' release

20. (C) The MoD will continue to press, at a minimum, for release of the TOW 2B anti-tank missiles and the Longbow upgrades for Apache helicopters. But they understand that this is not realistic and know that there will be no release "deliverable" at this year's MCC. Egypt needs to understand that it must gear systems requests to actual strategic goals, as defined in their modernization plans and consistent with the long term transformation strategy. Absent this justification and given the USG commitment to preserving Israel's qualitative military edge, it will be difficult to obtain inter-agency and Congressional support for requests for new systems.

The Value of MCC Dialogue

21. (C) The MCC is a central component in our bilateral dialogue and gives us a valuable opportunity to explore mutual views on the state and direction of the relationship. Although the MoD originally asked to keep the Executive and Plenary sessions smaller than in the past, the mere fact that the issues discussed touch multiple USG agencies and multiple offices within each agency mandate greater inclusivity. MoD has asked for a brief "pull-aside" with ASD Rodman. This, along with the meeting with the Minister of Defense, would likely be the most appropriate time for a candid exchange. In addition to urging ongoing GOE engagement in the GWOT, and greater focus on MoD's public affairs, transformation and modernization strategies, we suggest that ASD Rodman thank Egypt for its role in promoting regional security and for being a critical partner to the U.S. The sole deliverable for this year's MCC is a commitment to support the Egyptian field hospital in Bagram until March 2007.

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